

**Canadian Gold Resources Ltd.
(Formerly Amseco Exploration Ltd.)**

Management Discussion & Analysis

For the Three and nine-Month Periods Ended September 30, 2025 and 2024

105 Englehart Street,
Suite 700
Dieppe, NB
E1A 8K2
(506) 383-4274

Overview

The following Management Discussion and Analysis (“MD&A”) for Canadian Gold Resources Ltd. (“CGR”) or (“the Company”) prepared as of November 21, 2025, should be read together with the unaudited condensed interim financial statements for the three and nine-month periods ended September 30, 2025 and 2024 and related notes attached thereto, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and IFRIC[®] Interpretations of the IFRS interpretation Committee.

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking information. Please see “Forward-Looking Information” and “Risk and Uncertainties” for a discussion of the risks, uncertainties and assumptions relating to such information.

FORWARD-LOOKING INFORMATION

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors: financial health of the Company and the related cash flows, competitive and economic environment, seasonality and fluctuations in results, expansion, interest rates, cash distributions are not guaranteed and will fluctuate with the performance of the Company, and federal income tax changes.

Although the forward-looking information contained in this MD&A is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong economy in Canada, stable interest rates and continued strength in the mining exploration industry in which the Company operates and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A and the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

Description of the Business

14697952 Canada Inc. (Formerly Canadian Gold Resources Ltd.) (“14697952”) was a private company and was incorporated pursuant to the provisions of the CBCA on January 22, 2023. Amseco Exploration Ltd. was incorporated pursuant to the provisions of the CBCA under the name 102123 Canada Ltd. on October 23, 1980. On June 17, 2006, the name was changed to Amseco Explorations Ltd. (“Amseco”) and on November 18, 2024, changed it to Canadian Gold Resources Ltd. (Formerly Amseco Explorations Ltd.) (“the Company”, “Canadian Gold” or “the Resulting Issuer”) The Company’s registered office is at 105 Englehart Street, Suite 700, Dieppe, N.B. Canada.

The Company is engaged in the acquisition, exploration, and if warranted, development of gold, silver, copper, molybdenum and other metal deposits in Canada. The Company has acquired a 100% interest in three mineral properties located in Western Gaspé, Québec. The properties are characterized by ease of accessibility, well developed infrastructure, access to a ready and skilled labour pool and a large degree of common logistics due to their relative proximity to each other.

Overview

On November 18, 2024, Canadian Gold (formerly Amseco Exploration Ltd), (“the Resulting Issuer”) completed its business combination, a Reverse Takeover (“RTO”), with 14697952 Canada Inc. (formerly Canadian Gold Resources Ltd.), (“14697952”). Pursuant to the share exchange agreement between Amseco Exploration Ltd. and Canadian Gold Resources Ltd. dated May 31, 2024, the Company issued 20,052,000 common shares in the capital of the Company to the shareholders of Canadian Gold Resources Ltd. on a post consolidated basis (as defined herein), at a deemed price of \$0.25 per common share of the Company. Pursuant to the transaction, the Company implemented a consolidation of its issued and outstanding common shares on the basis of one post-consolidated share for each five pre-consolidated share resulting with 2,922,891 shares held by the former Amseco shareholders. The resulting Issuer’s Common Shares began trading on the TSX Venture Exchange (TSX-V) at the opening of the market on December 12, 2024 under the symbol CAN-V. In order to facilitate financial reporting, Canadian Gold and 14697952 were amalgamated on December 31, 2024.

A reverse take-over in which an operating non-public company obtains control of a non-operating public company that is not a business, does not qualify as a business combination, and is therefore outside the scope of IFRS 3 “Business Combination”. The transaction was therefore accounted for in accordance with IFRS 2, Shares Based Payment and IAS 32, Financial Instruments: Presentation. 14697952 recorded the excess of the deemed acquisition cost of Canadian Gold over the net value of its assets and liabilities as a cost of obtaining a listing and this cost is recorded as an expense.

These financial statements are prepared as a continuation of the financial statements of 14697952 but reflecting the continuation of the number of shares of Canadian Gold and capital value of 14697952 because of the RTO. As a result, comparative information included herein as at September 30, 2024 is solely those of 14697952.

The excess deemed acquisition cost over the value of the net assets of Amseco was attributed to the value of the public listing and therefore was recorded as a listing expense. The fair value of the consideration to acquire Amseco was calculated at \$584,491. This value was determined based on the fair value of 2,922,891 common shares valued at \$0.1884 per share and 263,000 Canadian Gold stock options issued in exchange of existing stock options held by the previous holders of Amseco (post-consolidated in a ratio of 5:1). The options were valued at \$33,923 using the Black Scholes option pricing model (Note 13). The fair value of the common share was deduced through calibration method applying a discount for Lack of Marketability (DOLM) at 24.65% such that as at the measurement date the sum of fair values of the Common Shares issued, Common Share Units issued, and Flow-Through Share Units (“FT”) issued equals to the overall cash proceeds.

Consideration Paid	\$
Fair value of consideration to purchase 2,922,891 common shares valued at \$0.1884	550,568
263,000 Canadian Gold options (Note 13)	33,923
	584,491
Total consideration fair value	584,491
Net assets acquired	(189,164)
	773,655
Listing expenses	773,655

- In January 2023, the Company entered into a mining claims purchase to acquire a 100% interest in the Lac Arsenault Gold Property (Lac Arsenault) located southwest of the Gaspé municipality on the Gaspé Peninsula, Québec.

In exchange for the mining claims, the Company paid \$100,000 in cash and issued 2,000,000 class A common shares of the Company with a fair value of \$500,000 for the purchase of 100% of the Lac Arsenault mining claims. The shares were held in trust until the Company completed the RTO in conjunction with the Company transitioning from a private corporation to a public corporation. The Company will also pay the vendor a 1% NSR or the Company has the option to repurchase the NSR for \$500,000.

On February 29, 2024, the shares were transferred to the vendor and the claims were transferred to the Company.

The Company purchased an additional 70 claims in 2024 and an additional 59 claims in the first quarter of 2025.

- In January 2023, the Company entered into a mining claims purchase agreement to acquire a 100% interest in the Robidoux Gold Property (“Robidoux”) located in Western Gaspé, Québec.

The Company paid \$50,000 in cash in January 2023, another \$50,000 in cash in July 2023, and issued 1,600,000 class A common shares of the Company with a fair value of \$400,000 for the purchase of 100% of the Robidoux mining claims. Subsequently, shares were issued at arm’s length price in consideration for the agreed upon price of the mining claims acquired. The Company will also pay the vendor a 2% NSR to the vendor.

On November 29, 2024, the shares were transferred to the vendor and the claims were transferred to the Company.

- In April 2023, the Company entered into a mining claims purchase agreement to acquire a 100% interest in the VG Boulder Property (“VG”) located in the Gaspé region, Québec.

The Company issued 1,000,000 class A common shares of the Company with a fair value of \$250,000 for the purchase of 100% of the VG mining claims. Subsequently, shares were issued at arm’s length price in consideration for the agreed upon price of the mining claims acquired. The shares were held in trust until the Company completed the RTO in conjunction with the Company transitioning from a private corporation to a public corporation. The Company will also pay a 1% NSR to the vendor.

On April 4, 2024, the shares were transferred to the vendor and the claims were transferred to the Company.

Exploration Projects

As noted above, the Company holds 3 gold exploration projects in Gaspé, Quebec of which 2 have exploration plans for 2025.

Lac Arsenault Gold Property

Lake Arsenault project (11,133.58 Ha) is 100% owned by Canadian Gold. Historical data has yielded sample results of 1.4 oz Au/ton and 25 oz Ag/ton, 32.83 g/t Au over 0.27 m, 13.5 g/t Au over 0.75m, 39.7 g/t Au, 0.36 oz Au over 5.2 feet.

Some exploration work was conducted in October 2024 on the project. An airborne magnetic survey was completed in late 2024, the results yielded additional structures that will be explored (“ground-proofing”) in 2025 for mineralization, mineralization appears in or about structures. Additional exploration work was conducted in September 2025, an Induced Polarization (IP) survey was conducted on and around the Baker and Mersereau veins to explore for mineralized extensions. A 3000m drill program was started in November 2025 to follow-up on targets generated from the IP survey.

The work planned for 2025-2026 on the property will include surface diamond drilling, historical collar survey, metallurgical test, environmental test, geotechnical hole, surface exploration, surface geophysics, estimation of mineral resources and bulk samples.

Robidoux Gold Property

Robidoux project (1,945.83 Ha) is 100% owned by Canadian Gold. Historical data has yielded sample results 1.77 g/t Au and 11.1 g/t Ag, 5.93 g/t Au, 0.39 % Pb, 541 ppm Zn, and 14.6 g/t Ag and from channel sampling: 46.13 g/t Au over 0.25 m and 32.77 g/t Au over 0.25 m. Additional historical data yielded an average grade of 12.024 g/t Au from a 657 tonne bulk sample.

Some exploration work was conducted on the Robidoux property in October 2024. An airborne magnetic survey was completed in late 2024, the results yielded additional structures that will be explored (“ground-proofing”) in 2025 for mineralization, mineralization appears in or about structures.

The work planned for 2025-2026 on the property will include surface exploration, surface geophysics and historical collar survey.

VG Boulder Property

VG project (4,570.16 Ha) is 100% owned by Canadian Gold. Historical data has yielded analyses ranging from 0.186 to 75.7 g/t gold.

Some exploration work was conducted on the VG Boulder property in October 2024. An airborne magnetic survey was completed in late 2024, the results yielded additional structures.

Scientific and technical information regarding the mineral exploration properties presented in this section of the MD&A has been reviewed and approved by Mark Smethurst, PGeo. Mark Smethurst is a Director of Canadian Gold and is a Qualified Person as defined in NI 43-101.

Quarterly Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	For the Three Month Period Ended September 30, 2025	For the Three Month Period Ended September 30, 2024
	\$	\$
Net loss and comprehensive loss	(221,006)	(64,824)
Basic and diluted loss per share	(0.01)	(0.00)
Total assets	4,385,151	1,818,821
Total long-term liabilities	45,487	-
Cash dividends	-	-

Results of Operations

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates. Additional significant accounting policies are detailed in Note 3 of the Company's audited financial statements for the year ended December 31, 2024

For The Three Month Period Ended September 30, 2025

Operations during the three-month period ended September 30, 2025 were focussed on exploration activities related to the properties.

Net loss for the three-month period ended September 30, 2025 was \$221,006 which was a loss of \$0.01 per share on both a basic and a fully diluted basis. Major components of the net loss were advertising and promotion of \$89,034, legal of \$31,408 and management fees of \$45,000.

The negative variance of \$156,182 in the loss between the three months ended September 30, 2025 and September 30, 2024 is mainly due to the advertising and promotion, the management fees and the flow-through liability renounced.

The increase in advertising and promotion expenses of \$89,034 is attributed to the Company's heightened efforts in investor relations following its public listing.

Management fees of \$45,000 were paid during the quarter to directors or companies controlled by directors of the Company compared to \$nil for fiscal 2024.

The increases in the expenses were partially offset by other income – flow-through liability renounced in the amount of \$57,829 compared to \$nil in 2024. As qualifying expenditures are incurred, the liability decreases, and the Company recognizes other income in the statement of net loss and comprehensive loss (see note 10 of the September 30, 2025 condensed interim financial statements).

For The Three Month Period Ended September 30, 2024

Operations during the three months ended September 30, 2024 were focussed on the exploration activities related to the Lac Arsenault property and on the reverse takeover between Amseco Exploration and Canadian Gold.

Net loss for the three-month period ended September 30, 2024 was \$64,824, which was a loss of \$0.00 per share on both a basic and a fully diluted basis. Major components of the net loss were consulting fees of \$12,000, legal fees of \$32,510, and accounting and audit fees of \$11,750.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the last eight most recently completed quarters:

	Three Months Ended							
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	4,385,151	4,579,168	4,792,888	5,381,930	1,818,821	1,813,544	1,829,284	1,934,898
Mineral property costs	2,560,801	2,346,460	2,205,192	2,102,461	1,099,056	1,083,754	1,042,994	1,020,702
Working capital	804,627	1,248,455	1,645,064	2,005,702	(12,143)	67,983	210,940	311,909
Shareholders' equity	3,466,648	3,667,525	3,850,256	4,108,163	1,630,474	1,695,298	1,793,174	1,871,851
Revenues	-	-	-	-	-	-	-	-
Net loss	221,006	182,731	629,965	816,170	241,377	97,876	78,677	168,050
Loss per share	0.01	0.00	0.02	0.04	0.01	0.00	0.00	0.00

Variation in operating results over the previous eight quarters resulted primarily in the operations related to the reverse takeover, and the starting up of the Company.

Liquidity

The Company has no history of profitable operations, and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

	September 30, 2025	December 31, 2024
	\$	\$
Working Capital	804,627	2,005,702
Deficit	2,540,951	1,507,249

Net cash flow used in operating activities during the nine-month period ended September 30, 2025, was \$1,241,389 compared to \$162,089 for the same period of 2024. The net cash used in operating activities primarily consists of the operating loss and changes in non-cash working capital.

Net cash flow used in financing activities during the nine-month period ended September 30, 2025 was \$1,604 compared to net cash flow provided by financing activities of \$100,000 for the nine-month period ended September 30, 2024. The cash flow used in financing activities consists of repayment of lease liability.

Net cash flow used in investing activities was \$1,825,186 during the nine-month period ended September 30, 2025, compared to \$82,675 for the nine-month periods ended September 30, 2024. Cash was expended on the acquisition of an investment, exploration work conducted on the mineral properties and acquisition of capital assets.

The Company is planning a private placement in the fourth quarter of 2025.

Capital Resources

The Company's sources of funds have been derived primarily from proceeds from issue of common shares. As indicated in the previous section, the Company is planning a private placement in Q4, 2025.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's condensed interim statements of comprehensive loss and notes therein.

Commitments

As of September 30, 2025, the Company has yet to incur exploration expenditures totaling \$2,168,802 from its flow-through funds. The expenditures must be incurred by December 31, 2025. If they are not incurred by that date, the Company will need to indemnify the shareholders for any taxes or other costs incurred by them. Canadian Gold initiated a drilling program in the fourth quarter, which is expected to utilize the remaining flow-through funds.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Transactions with Related Parties

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals.

Related party payable at September 30, 2025 – \$40,865 (December 31, 2024 – \$35,200) is comprised of management fees, consulting fees, accounting expenses and exploration and evaluation assets due to officers and directors of the Company or to companies controlled by officers and directors of the Company. Amounts payable to related parties are non-interest bearing, are due on demand, and are unsecured.

The Company entered into the following transactions with related parties during the three and nine-months ended September 30, 2025 and 2024:

- a) Paid or accrued \$45,000 and \$131,000 respectively (2024 – \$nil) in management fees to directors or companies controlled by directors of the Company.

- b) Paid or accrued \$4,500 and \$11,950 respectively (2024 –\$12,000 and \$36,000) in consulting fees to directors or companies controlled by directors and officers of the Company.
- c) Paid or accrued \$5,896 and \$36,661 respectively (2024 – \$4,455 and \$15,922) in accounting fees to an officer of the Company.
- d) Paid or accrued \$52,000 and \$127,000 respectively (December 31, 2024 – \$38,000) in consulting fees to a company controlled by a director of the Company. These were recorded as exploration and evaluation assets on the statement of financial position.

These transactions were in the normal course of operations.

Risk and Uncertainties

The Company holds certain mineral property interests, and as such is exposed to numerous risks and uncertainties common to other junior exploration companies.

The Company's business, results of operations, financial condition, and the trading price of its common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, metal price volatility, competition, additional funding requirements, insurance, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

The Company and its mineral exploration programs are at an early stage. The Company is not profitable and has no sources of revenue. The Company is reliant on raising equity and while this has been successful in the past, there is no assurance that it will be able to do so in the future.

The mineral claims that the Company has an interest in are in the exploration stage only. There is no assurance that the exploration activities of the Company will result in the discovery of a commercially viable mineral deposit.

Mineral exploration activities could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability.

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Critical Accounting Estimates (Note 2- December 31, 2024 audited financial statements)

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- **Fair Value of the Share Price as at the RTO Date**

The fair value of the common share was determined through calibration method applying a discount for Lack of Marketability (DOLM) at 24.65% such that as at the measurement date the sum of fair values of the Common Shares issued, Common Share Units issued, and FT Share Units issued equals to the overall cash proceeds.

- **The carrying value and recoverable amount of exploration and evaluation assets**

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

- **The recognition or non-recognition of deferred income tax assets**

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

- **The inputs to Black Scholes method to fair value the stock options and the warrants**

The Company makes certain estimates and assumptions when calculating fair values of stock options and warrants granted. The significant assumptions used include estimates of expected volatility, expected life, forfeiture rates and expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for the issuance of stock options and warrants.

Accounting Standards Issued but not yet Applied:

In May 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments have not yet been incorporated into Part I of the CPA Canada Handbook - Accounting.

The amendments:

- Provide clarification that a financial liability is derecognized on the ‘settlement date’, i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired;
- Provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system;
- Clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features;
- Clarify that, for a financial asset to have ‘non-recourse’ features, the entity’s ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test);
- Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and
- Add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods. The Company is currently assessing the impact of the new standard on its financial statements.

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of management-defined performance measures in a separate note within the consolidated financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

Financial Instruments and Other Instruments

The Company has designated its financial instruments as follows: cash and investment are classified as held-for-trading which is measured at fair value. Cash and investment are measured at fair value on a recurring basis. Interest receivable is classified as receivables and is recorded at amortized cost. Accounts payable and accrued liabilities and amounts due to related party are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective rate method.

IFRS 7, Financial Instruments – Disclosure; increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity’s financial position and performance. This standard establishes a three-tier hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company’s investments. The hierarchy of inputs and description of inputs is described as follows:

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At September 30, 2025 the carrying value of the investment is recorded at fair value on the statement of financial position and is considered level 1. All of the Company’s other financial instruments are classified as level 3.

Financial Risk Factors

The Company, through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date, September 30, 2025.

(a) Fair Value

Financial instruments included in the statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm’s-length transaction between knowledgeable and willing parties. Except for cash and investment, the Company does not have any financial instruments measured at fair value.

The carrying values of the investment, interest and other receivable, accounts payable to related parties, and accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity of the instruments.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and short-term investment in large Canadian chartered banks and has no loans. The Company’s current policy is to invest cash and investments in Canadian bank savings accounts and short-term investments with fixed interest rates or interest that varies at prime.

(c) Credit Risk

The Company’s credit risk is primarily attributable to cash, investment and interest and other receivable. Cash and investment are held with reputable financial institutions, primarily in Canada, and are kept in highly liquid accounts that are closely monitored by management. Credit risk with respect to interest and other receivable is minimal due to the insignificant balances.

The Company’s maximum exposure to credit risk is as follows:

September 30, 2025	
	\$
Cash	31,193
Investment	1,270,000
Interest and other receivable	84,731
	1,385,924
December 31, 2024	
Cash	3,099,372
Share subscription receivable	34,000
	3,133,372

d) Derivatives – Mineral Properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties (“NSR”), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

(e) Foreign Exchange Risk

Foreign exchange risk is the risk that fair values of future cash flows of a financial instrument will fluctuate because they are nominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

(f) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below. At September 30, 2025, the Company had a cash balance of \$31,193 and investment of \$1,270,000 to settle its current liabilities of \$873,016.

The Company had working capital of \$804,016 at September 30, 2025 which, in the opinion of management, is sufficient to support the Company’s normal operating requirements through its current reporting period. The Company is continuing to review expenditures in order to ensure adequate liquidity and flexibility to support its exploration and development strategies.

The Company is also planning a private placement in the fourth quarter of 2025.

Outstanding Share Data

The Company has the following shares issued and outstanding:

	September 30, 2025 and as of MDA	December 31, 2024
Authorized		
Unlimited number of common shares without par value		
Issued and Outstanding	36,667,221	36,667,221

Due to an escrow agreement under Policy 5.4 Escrow Vendor Consideration and Resale Restriction related to a Reverse Takeover, 8,158,405 shares and 33,750 stock options are held in escrow. Starting December 10, 2025, an additional 1,631,681 shares and 6,750 stock options will be released every six months until December 2027.

Warrants

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance - December 31, 2023	-	-
Issued during the year (i), (ii), (iii) & (iv)	8,474,165	0.38
Broker warrants issued during the year (i), (ii), (iii) & (iv)	768,754	0.28
Balance - December 31, 2024	9,242,919	0.37
Broker warrants cancelled	(14,000)	0.25
Balance - September 30, 2025 and MDA	9,228,919	0.37

A total of 14,000 broker warrants reported from the December 31, 2024 private placement (Note 12 (iii)) of the September 30, 2025 interim financial statements were surrendered for cancellation. As a result, broker warrants of \$1,872 was reversed, along with previously recognized share issue costs of \$1,289 for share capital and \$583 for warrants.

The following warrants are outstanding at September 30, 2025 and as of the date of the MDA:

<u>Warrants</u>	<u>Exercise price</u>	<u>value of warrants - net of issue costs</u>	<u>Expiry date</u>
#	\$	\$	
478,000	0.35	34,873	30-Dec-26
1,542,499	0.40	144,947	30-Dec-26
2,166,667	0.40	207,894	27-Dec-26
2,778,000	0.35	167,352	18-Nov-26
1,508,999	0.40	160,965	18-Nov-26
<u>8,474,165</u>		<u>716,031</u>	

The following broker warrants are outstanding at September 30, 2025 and as of the date of the MDA:

<u>Broker warrants</u>	<u>Exercise price</u>	<u>Grant date fair value of warrants</u>	<u>Expiry date</u>
#	\$	\$	
10,360	0.25	1,386	30-Dec-26
196,128	0.30	24,084	30-Dec-26
313,333	0.30	40,787	27-Dec-26
166,133	0.30	21,059	18-Nov-26
68,800	0.25	5,397	18-Nov-26
<u>754,754</u>		<u>92,713</u>	

Stock options

The Company also adopted a new 10% rolling stock option plan upon closing of the Transaction (the “New Plan”). The New Plan will replace the Company’s current stock option plan. Pursuant to the New Plan, the board of directors may grant stock options to directors, officers, employees, and consultants of the Company up to a maximum of 10% of the total the number of issued and outstanding shares of the Company from time to time. No stock option granted under the New Plan will be exercised until requisite shareholder approval having been obtained.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
		\$
Balance December 31, 2023	-	-
Reverse takeover (Note 1)	263,000	0.35
Balance, December 31, 2024	263,000	0.35
Issued during the period	1,800,000	0.25
Balance September 30, 2025	2,063,000	0.26

The number of stock options outstanding at September 30, 2025 and as of date of the MDA is summarized as follows:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining contractual life of outstanding options (years)	Grant date weighted average fair value per option	Exercisable
	\$			\$	
38,000	\$0.50	18-Nov-25	0.13	0.05	38,000
15,000	\$0.50	30-Oct-28	3.08	0.15	9,672
70,000	\$0.38	18-Nov-25	0.13	0.07	70,000
35,000	\$0.38	03-May-34	8.59	0.24	22,565
60,000	\$0.25	18-Nov-25	0.13	0.10	60,000
45,000	\$0.25	03-Aug-33	7.85	0.24	29,013
1,800,000	\$0.25	22-Jan-35	9.32	0.22	1,800,000
2,063,000					2,029,250

During the quarter ended September 30, 2025, the Company revised its estimate of expected share price volatility used in the valuation of equity-settled share-based payment awards.

As a result of this change in estimate, the weighted average grant date fair value of options granted during the year increased from \$0.21 to \$0.22 (2023 - \$0.13). The increase in the weighted average grant date fair value resulted in an increase in share-based payment expense of \$20,129 for the year. The total amount of stock-based compensation expense of \$392,186 was recorded in the condensed interim statement of net loss and comprehensive loss and credited to the contributed surplus in the condensed interim statement of financial position, (2024- \$33,923 - was attributed to the value of the consideration paid for the RTO).

These options were valued using the Black-Scholes Model with the following assumptions:

	2025	2024
Risk free interest rate	3.32%	3.07%-3.19%
Expected life	10 years	1 - 9.5 years
Expected volatility	133%	100% - 150%
Expected dividend yield	nil	nil
Expected forfeiture rate	nil	nil

Additional Disclosure for Companies Without Significant Revenue

A breakdown of material G&A expenses is set out in the condensed interim statements of comprehensive income for the three and nine-month periods ended September 30, 2025.

Capitalized or Expensed Exploration and Development Costs

Note 5 to the condensed interim Financial Statements for the three and nine-month periods ended September 30, 2025 set out amounts with respect to capitalized exploration and evaluation expenditures by property.

Management's Responsibility for Financial Information

The Company's financial statements and other information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of its disclosure controls and procedures and has concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Subsequent events

- i) Subsequent to the quarter end, on October 27, 2025, the Company received all required permits from the Government of Quebec to proceed with a diamond drill program at its 100% owned Lac Arsenault Gold Project.
- ii) Subsequent to the quarter end, on November 18, 2025, 168,000 stock option expired.

Approval

The Board of Directors of Canadian Gold Resources Ltd. has approved the disclosure contained in this Management Discussion & Analysis. A copy of this Management Discussion & Analysis will be provided to anyone who requests it.